

Mr. Lewis advised this money was used for capital improvement projects, and the loan comes due tomorrow.

Trustee Alberts asked if this note came due yearly. Mr. Lewis stated it does, and this is the second renewal of the note and we only commit for one year due to the favorable interest rate, and hopefully we will pay the note off in one year.

Mr. Alberts asked what the statement "waiving competitive bidding" meant.

Mr. Lewis said that rather than bidding, quotes are obtained for the interest rate on this type loan. Mr. Lewis stated it also would have cost an additional \$5,000 to bid this out and it would not have been economical to do that on a note of this size.

City Manager Jim Crosby stated the money went for several projects, such as the roadway at the hospital, Highway 92 and 10th Street, the booster station, and part of the Vandament/Holly widening project.

Trustee Jurgensen asked what fees were associated with a year to year renewal, and if this was not paid now if we would be in default on the loan.

Mr. Lewis advised the City would be in default if they did not pay or renew this loan, and the fees associated with this particular closing would be about \$14,000.

Mr. Jurgensen asked if the fees were negotiable.

Mr. Lewis said the fees were negotiated with the City Manager.

Trustee Jurgensen stated that in the future, he would like to see a copy of the closing statement included with this backup.

The vote:

AYES: Jurgensen, Smaistrila, Vinson, Maxey, Alberts

NAYS: None

VOTE: 5-0

MOTION CARRIED

(Recess as YMA and Reconvene as Yukon City Council)